



May 24, 2016

The Honorable Anthony Rendon
Speaker
California State Assembly
State Capitol
Sacramento, CA 95814

The Honorable Phil Ting
Chair
Asm Budget Committee
State Capitol
Sacramento, CA 95814

The Honorable Richard Bloom
Chair
Asm Budget Subcommittee #3
State Capitol
Sacramento, CA 95814

Dear Mr. Speaker, Assembly Member Ting and Assembly Member Bloom:

Greenleaf Power, is a Sacramento-based renewable energy company and the largest biomass electricity provider in California. We strongly urge you to allocate \$130 million in greenhouse gas reduction funds (GGRF) to biomass energy. California is facing an unprecedented tree mortality crisis, and biomass energy is the most beneficial end use for dead and dying forest waste, in addition to urban wood and agricultural waste.

There is an urgent and long-term tree mortality crisis that poses the potential for widespread and potentially irreversible harm. Increasingly devastating wildfires undo much of the greenhouse gas gains achieved and cause significant damages to the State, in dollars and in lives. This GGRF allocation is critical to preventing further damages to the State. In late 2015, Governor Brown issued an Emergency Proclamation to address the crisis; and-identified biomass energy and the need to extend biomass electricity contracts as a key component in the response to the crisis. The massive amount of forest waste that needs to be removed and converted to biomass electricity bears both a significant environmental cost if not effectively and expeditiously addressed, and poses economic peril for vast regions of the state as well. Allocation of \$130 million to address this will help incentivize the retrieving and processing biomass fuel and will help keep biomass plants operating by facilitating contract prices that reflect the fair value of renewable energy.

This \$130 million allocation also provides numerous additional important environmental and economic benefits. It will aid development of new renewable energy project, maintain large private employers in rural communities, and reduce waste to landfills and open burning emissions. Woody biomass is the second largest contributor to landfills. Currently, biomass facilities divert over 2 million tons before it is

landfilled. Without the reduction in landfilled material through biomass utilization, wood waste would be the largest single contributor to the State's landfills.

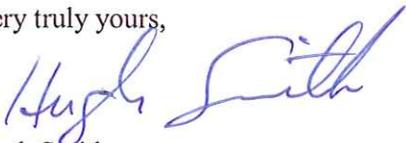
Importantly, the funding amounts are justified based on the market value for the environmental benefits received and are technology neutral. In other words, the \$130 million represents the value of avoided air emissions that are realized by diverting forest, agricultural and landfill waste away from open burning or flaring and into conversion to renewable biomass energy and is an appropriate use of those funds.

Greenleaf has already had to shutter one of our California plants, and in July of this year, at the critical time to begin receiving forest fuels, we face a similar decision at another plant due to its expiring power contract price. By allocating appropriate GGRF funds, Greenleaf and other biomass companies across California will be able remain open to help address this statewide crisis.

Biomass energy is the best environmental and economic solution to address California's tree mortality crisis. Biomass energy also helps California meet mandated greenhouse gas reductions. By diverting wood into fuel, it provides a net reduction of more than 3.5 million tons of biogenic greenhouse gas emissions per year.

Greenleaf Power respectfully supports an allocation of Greenhouse Gas Reduction Funds to the biomass industry. If you have any questions, please contact our lobbyist, Kelly Boyd, at (916) 765-4929.

Very truly yours,



Hugh Smith
President, Greenleaf Power

